

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-612-W - ORDER NO. 93-989 ✓
NOVEMBER 8, 1993

IN RE: Petition Filed on Behalf of the Consumer Advocate Requesting the Establishment of a Docket to Examine the Effects of the Safe Drinking Water Fund on Regulated Water Systems in SC.)ORDER ESTABLISHING
)DOCKET, GRANTING
)PETITION TO
)INTERVENE, AND
)SETTING HEARING

This matter comes before the Public Service Commission of South Carolina (the Commission) on the September 29, 1993, Petition filed by the Consumer Advocate for the State of South Carolina (the Consumer Advocate). The Petition petitioned the Commission to establish a docket in order to investigate the effects of the Safe Drinking Water Fund on water systems subject to Commission regulation. The petition also requested intervention therein by the Consumer Advocate. The Consumer Advocate noted in his Petition that, as part of the 1994 Appropriations Act, Act No. 164 of the South Carolina General Assembly added Section 44-55-120 to the Code of Laws of South Carolina, which established a Safe Water Drinking Fund. The Act also established a fee schedule for collection by the Department of Health and Environmental Control (DHEC), and gave public water systems the ability to recover the cost of fees paid to DHEC without getting approval by the Commission. This testing fee was to cover testing performed by DHEC to meet all standards of the Federal Safe Drinking Water Act.

The Consumer Advocate goes on to state in his Petition that he

believes that many water systems regulated by the Commission already have a significant level of testing expense built into their approved rates. The Consumer Advocate alleges that if DHEC is to perform all future required testing, the Commission must determine if a recalculation of certain systems' rates is warranted. The Consumer Advocate alleges that, to allow systems to collect and recover the DHEC fee, in addition to rates which contain testing expense may result in double collection by some water systems. Therefore, the Consumer Advocate believes that the Commission should require all systems under its jurisdiction to quantify the level of testing expense recognized in their rates. Any portion of rates dedicated to testing expense should be eliminated, according to the Consumer Advocate. Any such portion collected by systems after a system is started to charge the DHEC fee should be subject to refund with appropriate interest, also according to the Consumer Advocate.

The Consumer Advocate further states that, in order to minimize public confusion over this new fee, the Commission should seek to develop a standard format for the line item charge on customer's bills by which water systems recover the DHEC fee. Also, the Consumer Advocate believes that the Commission could assist water systems to develop a standard notice to customers explaining the new fee.

The Commission has examined the Petition of the Consumer Advocate and believes that the matters alluded to by the Consumer Advocate should be examined and investigated further. The Commission therefore believes that, the Petition to Establish a

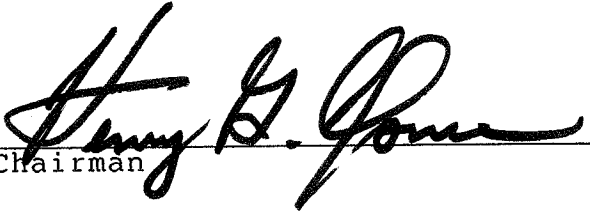
Docket in this matter should be granted and that the Petition to Intervene of the Consumer Advocate in the docket should also be granted. The Commission also believes that the matters alleged by the Consumer Advocate in his Petition should be investigated through an evidentiary hearing. The Commission believes that all water systems in South Carolina subject to Commission regulation should be made parties thereto as well.

IT IS THEREFORE ORDERED THAT:

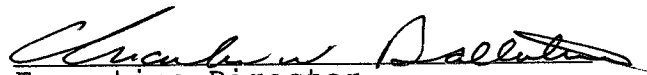
1. A docket is hereby established to investigate the effects of the Safe Drinking Water Fund on water systems subject to Commission regulation.
2. The Petition to Intervene in this docket of the Consumer Advocate is granted.
3. That all water systems subject to Commission regulation shall hereby be parties to this docket.
4. That an evidentiary hearing shall be held to take evidence on and investigate the matters alluded to in the Consumer Advocate's Petition.

5. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)